

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re:	PROMESA Title III
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	Case No. 17 BK 3283-LTS
as representative of	
THE COMMONWEALTH OF PUERTO RICO, <u>et al.</u> ,	(Jointly Administered)
Debtors. ¹	

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ORDER TERMINATING APPOINTMENT OF MEDIATION TEAM

The Court has reviewed the *Final Report of the Mediation Team* (Docket Entry No. 19809,² the “Final Report”) and carefully considered the request for dissolution of the Mediation Team.

The Mediation Team was appointed on June 23, 2017, to facilitate confidential settlement negotiations of matters and proceedings arising in these Title III cases (Docket Entry Nos. 329, 430) with the goal of achieving consensual resolutions and debt restructures. Since

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566- LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² All docket entry references are to Case No. 17-3283 unless otherwise indicated.

then, the Mediation Team has worked, on a confidential basis, with the parties who chose to participate in the mediation process to resolve numerous complex disputes. This work has resulted in mediated agreements regarding debt restructuring terms for five of the six Title III debtors³ and substantially consensual Title VI qualifying modifications for two other non-debtor entities.⁴

Based on the results outlined above and in the Final Report, the Court agrees that the Mediation Team has completed its work and accomplished fully the assigned tasks. Accordingly, the Court hereby terminates the appointment of the Mediation Team, including each of its members, with immediate effect. Notwithstanding the termination of the Mediation Team's appointment, the parties who participated in the confidential mediation process led by the Mediation Team remain bound by confidentiality pursuant to the terms of the Mediation Agreement and this Court's prior Orders. The work of the financial professionals retained by the Mediation Team is concluded and those professionals shall file their final fee application as promptly as possible consistent with other Orders of this Court.

The Court thanks each judge who has served on the Mediation Team and the Team's leader, the Honorable Barbara J. Houser, for undertaking the unprecedented responsibility of facilitating and guiding the negotiations of the parties to these extraordinary

³ With regard to the sixth debtor, PREPA, the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") and a substantial number of PREPA's creditors have also executed a restructuring support agreement for PREPA outside the mediation process. The Oversight Board has indicated it anticipates filing a plan of adjustment for PREPA by the end of March 2022. (*See Status Report of Financial Oversight and Management Board in Connection with December 15-16, 2021 Omnibus Hearing*, Docket Entry No. 19514 ¶ 8.)

⁴ *See Qualifying Modification Pursuant to PROMESA Title VI for the Puerto Rico Infrastructure Financing Authority* (Docket Entry No. 1 Ex. A in Case No. 21-1492) and *Qualifying Modification Pursuant to PROMESA Title VI for the Puerto Rico Convention Center District Authority* (Docket Entry No. 1 Ex A in Case No. 21-1493).

cases to substantially consensual conclusions. While the negotiations and communications among the Mediation Team and the parties were, by nature and necessity, confidential and will remain so, the Court was able to observe the progress of the Mediation Team's work through its impact on the progress of the cases and is confident that the work of the Mediation Team was essential to the development and support of the plan of adjustment for the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority that the Court confirmed on January 18, 2022 (Docket Entry No. 19813), and the proposed qualifying modifications for the Puerto Rico Infrastructure Financing Authority and the Puerto Rico Convention Center District Authority that are before the Court for approval. The Court is sincerely and deeply grateful to Judge Houser and the Mediation Team for answering the call and their tireless, skillful work throughout the progress of these uniquely complex cases.

The Court looks forward to the Oversight Board's fulfillment of its representation that it will file further proposed plans promptly, and to conclusions of these cases that will enable Puerto Rico to continue to progress into a bright future of economic stability, opportunity and growth.

SO ORDERED.

Dated: January 19, 2022

/s/ Laura Taylor Swain
Laura Taylor Swain
United States District Judge